



The Commonwealth of Massachusetts
**EXECUTIVE OFFICE OF HOUSING AND ECONOMIC
DEVELOPMENT**

PERMIT REGULATORY OFFICE
ONE ASHBURTON PLACE, ROOM 2101

BOSTON, MA 02108

TELEPHONE: 617-788-3610

FAX: 617-788-3605

Internet: <http://mass.gov/mpro>

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

GREGORY BIALECKI
SECRETARY OF HOUSING & ECONOMIC
DEVELOPMENT

VICTORIA MAGUIRE
PERMIT OMBUDSMAN & DIRECTOR

December 31, 2011

The Honorable Therese Murray
Office of the Senate President
State House, Room 332
Boston, MA 02133

The Honorable Robert DeLeo
Office of the House Speaker
State House, Room 356
Boston, MA 02133

Dear President Murray and Speaker DeLeo:

In accordance with *Chapter 205 of the Acts of 2006*, I am writing to provide you with an annual report for the Massachusetts Permit Regulatory Office (MPRO).

OVERVIEW

MPRO was created by an Act of the Legislature in 2006 to foster job creation and business development by assisting with permitting and regulation. The Office works in partnership with the Massachusetts Office of Business Development, MassDevelopment, Regional Planning Agencies, Massachusetts Municipal Association, MassEcon (formerly known as the Massachusetts Alliance for Economic Development), National Association of Office and Industrial Properties Massachusetts Chapter (NAIOP), the Smart Growth Alliance, and a variety of other local, state and federal agencies to accomplish its core mission – to streamline and expedite permitting to support job creation in the Commonwealth.

Regardless of project variables such as location, project type, or funding source, there are certain necessities that apply to every successful development project in the Commonwealth and they are prior planning, transparent permitting, and adequate infrastructure. MPRO works at the intersection of these three subject areas to support regional and municipal planning efforts, encourage transparent and streamlined state and local permitting, and to support the construction of public infrastructure where necessary to achieve state and local growth objectives. I am pleased to have this opportunity outline our strategy for addressing these three subject areas and furthering state goals and objectives.

PLANNING

Today in Massachusetts, many communities elect to make major land use and planning decisions during the permitting process. These communities may achieve better results by addressing major land use issues in advance of the permitting process, and allowing the private sector to respond appropriately to the community's interests. In order to achieve proper planning, MPRO has undertaken the following projects and programs that relate to land use.

Growth Districts Initiative

The major impediment to streamlined permitting in Massachusetts has been a failure to plan ahead for new growth and development, at both state and local levels. Zoning and other land use regulations, as well as investments in public infrastructure, do not reflect adequate planning.

By our failing to plan ahead, the important questions of “what should be built”, “where should it be built”, “how it should be built” and “what infrastructure do we need to support it” have been left to be discussed and debated in the permitting process for individual projects. This is a losing proposition for all concerned. From the public perspective, having such discussions in response to particular permit applications will inevitably make them seem driven by the timing and objectives of private developers. From the perspective of the project proponent, having such discussions within the permitting process makes it unlikely that permits can be issued in a timely and predictable manner.

Under its “Growth Districts Initiative”, EOHED partners with municipalities that have identified one or more areas within their communities as being appropriate locations for significant new growth, whether commercial, residential or mixed-use. Within those identified “growth districts”, EOHED will work with the community and property owners to make the district truly “development ready” with respect to local permitting, state permitting, site preparation (including brownfields remediation), infrastructure improvements, and marketing. The objective will be to create a level of “development readiness” within each of these growth districts comparable to that now available at Devens, a location proven to be highly attractive to new development and to be truly competitive at a national and international level.

To date, we have identified 20 Growth Districts throughout the state that offer varying levels of development readiness. The list of these Growth Districts is attached for your reference. We are grateful for the legislature's support of a recent bond reauthorization for the Growth Districts Initiative Grant Program that allows us to make targeted investments within Growth Districts to increase the level of development readiness available in each location. It is important to note that 17 of the 19 Growth Districts Grants issued to date have been awarded to Gateway Cities.

Through this program, we have created an inventory of millions of square feet available for new commercial development in the Commonwealth. We look forward to continue our work on this valuable program.

Zoning Reform

MPRO and EOHED coordinated a Zoning Reform Task Force to examine the current zoning and planning system in the State and work with the Legislature to develop amendments that would improve zoning and planning in Massachusetts. The Task Force recommended legislation that was filed for consideration during the *2009-2010 Legislative Session* and ultimately reported favorably

by the Joint Committee on Municipalities and Regional Governments with some edits. Zoning Reform legislation remains a priority for MPRO and we look forward to working with you, your colleagues in the legislature, and other interest groups to see that zoning reform legislation has the greatest chance for success in the upcoming session.

Regional Planning

Using the South Coast Rail planning effort as a model, MPRO has initiated regional planning exercises that throughout the state. For example, the 495/MetroWest region of the state has seen tremendous success in economic development and job creation over the past thirty years. There is every indication the region can continue its success in economic development and job creation for the next twenty years. In order to ensure that success, however, significant steps need to be taken to make the next twenty years of economic development more sustainable for the region.

We have partnered with the 495/MetroWest Corridor Partnership, the Central Massachusetts Regional Planning Commission, the Metropolitan Area Planning Council, Mass Audubon and the MetroWest Regional Collaborative in a development compact for this region. We are also working closely with our colleagues at the Executive Office of Environmental Affairs and the Massachusetts Department of Transportation on this effort. The compact is intended to create a shared framework for developing state, regional and local strategies for the growth, development and land preservation in the 36 cities and towns within the study area. The project is currently underway and we look forward to its results.

MPRO continues to be involved in the planning and land use efforts in the South Coast Rail Region and participated in the selection of 17 projects to receive technical assistance to be administered through the 3 Regional Planning Agencies in Fiscal Year 2012. In addition, MPRO will lead an effort in conjunction with the RPAs and partner state agencies in early 2012 to conduct a 5 year update the regional Priority Development and Priority Preservation map created at the outset of the corridor planning effort.

In fall 2010, Governor Patrick issued Executive Order 525 (E.O. 525) providing for the implementation of the South Coast Rail Economic Development and Land Use Corridor Plan and Corridor Map through state agency actions and investments. The Executive Order calls for state investments to be consistent with the Plan's recommendations to the maximum extent feasible. The Executive Order also directed state agencies to conduct a two-year retrospective analysis to determine how consistent their actions and investments in the region have been with the Corridor Plan goals in the past. As a result of E.O. 525, all participating state agencies increased their level of review and expanded the effort to include a three-year retrospective review of all investments in the region.

Based upon the issuance of E.O. 525 in fall 2010, state agencies must now consider plan consistency when making funding decisions. In order to facilitate the consideration of E.O. 525 in the decision making process, all state agencies have outlined the steps they will take to incorporate the Corridor Plan into their investment decision making process. As an example of the type of actions that have been taken, many state program applications, including the MassWorks Infrastructure Program, now require that applicants from the 31 cities and towns in the South Coast Corridor outline how their project is consistent with the Corridor Plan.

PERMITTING

The Patrick Administration is committed to government at the speed of business and we have placed a significant emphasis on the importance of transparent and expedited permitting. We are proud of state agencies such as the Department of Environmental Protection, which now issues 97% of all permits within 180 days, and the Massachusetts Environmental Permitting Agency (MEPA), which has introduced a pilot Integrated MEPA and Permitting Review to streamline the review process for projects that provide significant public policy benefit. I believe there are good reasons to believe that our state permitting processes will continue to become more predictable and timely under the Patrick Administration.

In order to support transparent permitting at all levels of government, MPRO works closely with permit issuing agencies throughout all levels of government including local, state and federal agencies. We have undertaken the following projects and implemented the following programs that relate to streamlined permitting.

Direct Project Assistance

In order to create a more business-friendly culture in the Commonwealth, MPRO serves as the one-stop shop for anyone with concerns about permitting and regulation, including project proponents, municipalities and businesses. We have assisted hundreds of project proponents to navigate the state and local permitting and regulatory processes, and this will continue to be a cornerstone of our services in 2011.

Chapter 43D: Expedited Local Permitting

The State Permitting Ombudsman serves as the Chair of the Interagency Permitting Board, which administers the Chapter 43D Expedited Permitting Program for municipalities. The Board meets monthly and is represented by nine state agencies and MassDevelopment.

The Chapter 43D program enables cities and towns to identify Priority Development Sites, pre-zoned for industrial, commercial or mixed use development, within which the municipality will render all local permitting decisions in 180 days or less. The Interagency Permitting Board has approved one or more Priority Development Sites in 82 municipalities and 168 Priority Development Sites statewide.

Throughout 2011 the program remained active and has continued to grow even with the elimination of the technical assistance grants funding for this program in 2010. For example, in 2011, Fall River adopted 43D and designated the SouthCoast Life Science Technology Park as a priority development site. In addition, the Town of Groton added a second site and the Town of Canton designated two additional sites. Canton now has 9 designated sites and has found the program to be a beneficial marketing tool. More recently, the Permitting Ombudsman met with the Town of Hingham to discuss the benefits of adopting 43D.

In fall 2011, the Interagency Permitting Board developed a survey which was distributed to all of the 43D communities to gather information about the status of the 43D sites. While many successes occurring on priority development sites were highlighted through the survey, the Board was also able to assess impediments to development on sites. Of respondents, market conditions and lack of resources were found to be the most significant constraint

preventing development. Taking an active role, Board members have begun to examine how their agencies can assist communities to overcome these constraints.

Chapter 43E: Expedited State Permitting

As part of Chapter 240 of the Acts of 2010, the legislature created Chapter 43E: Expedited State Permitting that provides 6-month permitting for development projects that are located on Chapter 43D Priority Development Sites and within designated Growth Districts. On behalf of EOHED, MPRO worked with all state agencies subject to the provisions of Chapter 43E to develop regulations to implement the state expedited permitting process. The final regulations were published on July 8, 2011.

Permit Extension Act FAQ

The Permit Extension Act was created by Section 173 of Chapter 240 of the Acts of 2010 to promote job growth and long-term economic recovery by establishing an automatic two-year extension to certain permits and licenses concerning the use or development of real property. The Act applies to regulatory approvals issued by local, regional or state entities that concern the use or development of real property.

In order to effectuate smooth and transparent communications on the Permit Extension Act, MPRO called together all state permit issuing agencies to discuss the Act and agree on a common process for implementation. The coordination resulted in a Frequently Asked Questions document to help the public to understand how this Act affects permits issued by state agencies. The FAQ is available at www.mass.gov/permitextension.

Massachusetts Permitting Collaborative

The Massachusetts Permitting Collaborative advises proponents of new development projects on how best to navigate the permitting and regulatory process in Massachusetts. The Permitting Collaborative brings together state agencies and project proponents for a pre-application conference regarding the permitting needs of individual projects throughout the Commonwealth. This effort enables projects to move more quickly through the review process and toward job creation.

While working with the Collaborative does not bypass the state's permitting and regulatory review procedures, an early discussion with key state agencies allows project proponents to consider agency guidelines, criteria and recommendations prior to filing an application. This early level of collaboration has been regarded as one of the most effective ways of ensuring that project proponents and agencies have an opportunity to jointly address potential issues early, avoid delays, and move more quickly towards development and job creation. We look forward to continue offering this service to developers and business in the Commonwealth.

Brownfields Support Team

MPRO is an active partner in the Brownfields Support Team (BST) Initiative developed by Lieutenant Governor Murray in 2009. The Brownfields Support Team efforts are designed to bring together local, state and federal partners to work on advancing the remediation efforts at specific sites across the Commonwealth. Sites with economic development and transit oriented development potential were the focus of the second round of BST sites announced in fall 2010.

MPRO was designated as the BST Team Leader for the Brockton Brownfields Support Team effort. MPRO helped bring together a number of partners to work on brownfields issues in the City of Brockton including designees Mayor Balzotti's office, Brockton 21st Century Corporation, The Old

Colony Planning Council, DEP, MassDevelopment and the EPA. Brockton's BST was the first ever city-wide BST. During this yearlong effort, the BST team was tasked with developing an inventory of BST sites for future assessment and remediation efforts, identifying a methodology for vetting the priority of the sites identified and assisted the city with choosing a number of sites (both publicly and privately owned) on which the EPA funded phase I and phase II assessments.

INFRASTRUCTURE

In the past, MPRO managed infrastructure investments through the Growth Districts Initiative Grant Program and the MORE Jobs Grant Program. . As part of that effort, we have made strategic investments in infrastructure that have leveraged private sector job creation in the near term, or have set the stage for economic recovery in the longer term. In 2011, MPRO led the effort to consolidate 6 grant programs including the the Growth District and MORE Jobs program into the MassWorks Infrastructure Grant Program. The first Massworks Infrastructure Program application round was held in September 2011.

MassWorks Infrastructure Program

In September 2010, the administration announced the creation of The MassWorks Infrastructure Program, providing a one-stop shop for municipalities and other eligible applicants seeking public infrastructure funding to support economic and community development. The program is centrally administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation (MassDOT) and Executive Office for Administration and Finance (ANF).

The Program represents an administrative consolidation of six grant programs:

- Public Works Economic Development (PWED) Grants
- Community Development Action Grant (CDAG)
- Growth District Initiative (GDI) Grants
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Grant Program

The Program provides grant funding for publicly owned infrastructure including, but not limited to sewers, utility extensions, streets, roads, curb-cuts, parking facilities, site preparation, demolition, pedestrian walkways, streetscape, and water treatment systems. The Program priorities include projects that could be "shovel ready" by the following Spring and projects that demonstrated consistency with the State's sustainable development principles including support for projects in Gateway Cities, transit oriented development projects, project which support the reuse of previously development sites, mixed use development, housing projects with a density of 4 units to the acre or greater and regionally significant projects.

For the previous two fiscal years prior to the announcement of the consolidation, MPRO coordinated the individual program managers for each of the six programs highlighted above to meet regularly, coordinate reviews, and share information on a pilot program basis. That exercise revealed that there is significant value in centralizing the programs and streamlining the grant process. It was determined that a formal consolidation of the six programs would reduce burdens on municipalities while also improving the efficiency of the distribution of state resources to infrastructure in support of economic and housing development.

Public Awareness

Prior to the first grant round in September 2011, MPRO engaged in a public process that included information sessions, publication of draft guidelines, and the collection of public comment. With the assistance of the Regional Planning Agencies, MPRO attended meetings in each region of the State which were attended by municipal planning staff across the State to explain the new MassWorks system, provide guidance to municipalities on the application and to answer questions related to the consolidation and upcoming grant round. Communities were also encouraged to participate in one of 13 “lunch and learn” online training sessions that were held to help familiarize communities with the online application system development to streamline the application process for communities.

MPRO led the review of the MassWorks applications and solicited feedback from partner State agencies including ANF, MassDOT and DHCD as well as stakeholders such as the Smart Growth Alliance and the Regional Planning Agencies to assist with the evaluation of the applications and their consistency with the Program goals and objectives. Staff from MassDOT, including the district offices and DHCD were invited to participate in “lunch and learn” sessions designed to inform the reviewers of the goals of the MassWorks program as well as increase their familiarity with the online application system.

The Results

In the 2011 MassWorks Infrastructure Grant application round, MPRO received 158 applications for over \$400 Million in infrastructure funding requests. The amount of applications and the scale of the total funding requested demonstrated that not only were communities able to participate in the application process and convey their requests efficiently to EOHED but also confirmed the significant need for infrastructure funding that exists in the State.

In total, 42 awards were made for \$63.5 Million as a result of the 2011 MassWorks Grant round. The 42 awards represent a geographic distribution of projects across the state and represent a mix of housing, economic development, community revitalization and small town transportation safety projects. These projects were funded by a combination of both annual MassWorks capital funds and the Infrastructure Development Fund which was passed by the legislature as part of the 2011 Supplemental Budget. MPRO plans to hold an annual application round every September and expects to fund approximately \$50M in infrastructure grants each fiscal year.

Attached to this report is a summary of the 2011 MassWorks Infrastructure Program Awards which demonstrates the geographic distribution of the awards as well as the program’s consistency in directing funds to projects which support the State’s Sustainable Development Principles. More information on The MassWorks Infrastructure Program is available at www.mass.gov/eohed/infrastructure.

Infrastructure Investment Incentive Program

MPRO has taken an active role in the Infrastructure Investment Incentive (I-Cubed) Program led by the Executive Office of Administration and Finance in 2011. MPRO has participated in the review of the Economic Development Proposals submitted by developers and communities interested in infrastructure funds supported by the I-Cubed Program and working with the Executive Office of Administration and Finance, the Department of Revenue and MassDevelopment, MPRO has helped to evaluate the feasibility of funding the proposed projects through the I-Cubed program.

WEBSITE

The MPRO website is available at www.mass.gov/mpro and provides up-to-date information on all MPRO activities. In addition to information about the regional planning efforts, 43D and 43E program and the MassWorks Infrastructure Program, the MPRO website provides links to a number of resources developed by other executive offices, Regional Planning Agencies and other partners that MPRO works with to help advance the mission of the office.

STAFF

The Massachusetts Permit Regulatory Office is currently staffed by Victoria Maguire who serves as the State Permit Ombudsman/Director, Jay Lee who serves as the Director of the MassWorks Infrastructure Program, Erica Kreuter who serves as an Assistant Project Manager and Justin Sterritt who is also an Assistant Project Manager.

BUDGET

The MPRO budget was eliminated in FY10 however a MassDevelopment Trust has been established to fund the Office in FY12.

I am hopeful that you will agree that our efforts have been prosperous and I ask for your continued support of the Massachusetts Permit Regulatory Office. I welcome the opportunity to meet with you to discuss any questions, comments or concerns you may have with this report or the Office.

Best wishes for a Happy New Year,

A handwritten signature in cursive script that reads "Victoria Maguire".

Victoria Maguire
State Permit Ombudsman

Enclosures:

Attachment A – Enabling Statute

Attachment B – 2011 MassWorks Infrastructure Program Summary

ATTACHMENT A – ENABLING STATUTE

CHAPTER 205 OF THE ACTS OF 2006

SECTION 4. Chapter 23A of the General Laws is hereby amended by striking out section 3H, as so appearing, and inserting in place thereof the following section:—

Section 3H. The governor shall appoint the director of the Massachusetts permit regulatory office within the executive office of economic development. The director shall have experience with permitting and business development. The director shall serve as the state permit ombudsman to new and expanding businesses, to provide one-stop licensing for businesses and development in order to streamline and expedite the process of obtaining state licenses, permits, state certificates, state approvals, and other requirements of law, but not including divisions of the state secretary's office. The ombudsman shall facilitate communication between the municipality and state agencies. The Massachusetts permit regulatory office shall consult with each regional office of the Massachusetts office of business development and each regional office of the Massachusetts Development Financing Agency, in order to better serve local businesses.

There shall be a permitting specialist within each of the 5 regional offices of the Massachusetts Development Finance Agency. It shall be the responsibility of the specialist to work with new and existing businesses to assist in their selection, application, and finalizing of permits, local approvals, licensing and regulations. The specialists shall communicate with the regional planning agencies and the municipal officials responsible for local review procedures, to determine the municipal perspective on the proposed project.

The ombudsman shall file an annual report with the house and senate committees on ways and means by January 1 on the activities of the Massachusetts permit regulatory office and the interagency permitting board, including legislative recommendations on business development and expansion efforts.